

Agreement

MADE ON THE FOURTEENTH DAY OF DECEMBER, 1929

BETWEEN

THE DOMINION OF CANADA

AND

THE PROVINCE OF MANITOBA

On the subject of the

TRANSFER OF THE
NATURAL RESOURCES OF MANITOBA

MEMORANDUM OF AGREEMENT

Made this fourteenth day of December, 1929.

BETWEEN

The Government of the Dominion of Canada, represented herein by the Honourable Ernest Lapointe, Minister of Justice, and the Honourable Charles Stewart, Minister of the Interior,

Of the first part,

AND

The Government of the Province of Manitoba, represented herein by the Honourable John Bracken, Premier of Manitoba, and the Honourable Donald G. McKenzie, Minister of Mines and Natural Resources,

Of the second part.

Whereas by section thirty of the *Manitoba Act*, being chapter three of thirty-three Victoria, it was provided that all ungranted or waste lands in the Province should be vested in the Crown and administered by the Government of Canada for the purposes of the Dominion, subject to the conditions and stipulations contained in the Agreement for the surrender of Rupert's Land by the Hudson's Bay Company to Her Majesty;

And whereas the boundaries of the Province as defined by the *Manitoba Act* were altered and the area included in the said Province enlarged by the statutes forty-four Victoria chapter fourteen, and two George the Fifth chapter thirty-two;

And whereas by an Order in Council adopted upon a report from the Right Honourable W. L. Mackenzie King, Prime Minister of Canada, and approved by His Excellency the Governor General on the first day of August, 1928, it was provided, pursuant to an agreement in that behalf entered into with representatives of the Government of the Province that the Province would be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resources as from its entrance into Confederation in 1870, that a commission of three persons would be appointed to inquire into and report as to what financial readjustments should be made to effect that end and that upon agreement between the Government of Canada and the Government of the Province upon the financial terms, following consideration of the report of the Commission, a transfer would be made by Canada to the Province of the unalien-

ated natural resources within the boundaries of the Province subject to any trust existing in respect thereof and without prejudice to any interest other than that of the Crown in the same;

And whereas a Commission, composed of the Honourable Mr. Justice W. F. A. Turgeon, the Honourable Thomas Alexander Crerar and Charles M. Bowman, Esquire, was appointed to conduct an inquiry into the financial readjustments involved in the proposed transfer, and the Commission has since reported its findings and these findings have been accepted and agreed to by the Government of Canada and the Government of the Province;

And whereas it is now expedient, in order to carry out the purpose of the aforesaid Order in Council and to give effect to the agreement arrived at in the premises between the Government of Canada and the Government of the Province, to modify the provisions of the statutes above referred to as herein set out.

Now Therefore This Agreement Witnesseth:

TRANSFER OF PUBLIC LANDS GENERALLY

1. In order that the Province may be in the same position as the original Provinces of Confederation are in virtue of section one hundred and nine of the *British North America Act, 1867*, the interest of the Crown in all Crown lands, mines, minerals (precious and base) and royalties derived therefrom within the Province, and all sums due or payable for such lands, mines, minerals or royalties, shall, from and after the coming into force of this agreement, and subject as therein otherwise provided, belong to the Province, subject to any trusts existing in respect thereof, and to any interest other than that of the Crown in the same, and the said lands, mines, minerals and royalties shall be administered by the Province for the purposes thereof, subject, until the Legislature of the Province otherwise provides, to the provisions of any Act of the Parliament of Canada relating to such

administration; any payment received by Canada in respect of any such lands, mines, minerals or royalties before the coming into force of this agreement shall continue to belong to Canada whether paid in advance or otherwise, it being the intention that, except as herein otherwise specially provided, Canada shall not be liable to account to the Province for any payment made in respect of any of the said lands, mines, minerals or royalties before the coming into force of this agreement, and that the Province shall not be liable to account to Canada for any such payment made thereafter.

2. The Province will carry out in accordance with the terms thereof every contract to purchase or lease any Crown lands, mines or minerals and every other arrangement whereby any person has become entitled to any interest therein as against the Crown, and further agrees not to affect or alter any term of any such contract to purchase, lease or other arrangement by legislation or otherwise, except either with the consent of all the parties thereto other than Canada or in so far as any legislation may apply generally to all similar agreements relating to lands, mines or minerals in the Province or to interests therein, irrespective of who may be the parties thereto.

3. Any power or right, which, by any such contract, lease or other arrangement, or by any Act of the Parliament of Canada relating to any of the lands, mines, minerals or royalties hereby transferred, or by any regulation made under any such Act, is reserved to the Governor in Council or to the Minister of the Interior or any other officer of the Government of Canada, may be exercised by such officer of the Government of the Province as may be specified by the Legislature thereof from time to time, and until otherwise directed, may be exercised by the Minister of Mines and Natural Resources of the Province.

4. The Province will perform every obligation of Canada arising by virtue of the provisions of any statute or order in council or regulation in respect of the

public lands to be administered by it hereunder to any person entitled to a grant of lands by way of subsidy for the construction of railways or otherwise or to any railway company for grants of land for right of way, road bed, stations, station grounds, workshops, buildings, yards, ballast pits or other appurtenances.

5. The Province will further be bound by and will, with respect to any lands or interests in lands to which the Hudson's Bay Company may be entitled, carry out the terms and conditions of the Deed of Surrender from the said Company to the Crown as modified by the *Dominion Lands Act* and the Agreement dated the 23rd day of December, 1924, between His Majesty and the said Company, which said Agreement was approved by Order in Council dated the 19th day of December, 1924 (P.C. 2158), and in particular the Province will grant to the Company any lands in the Province which the Company may be entitled to select and may select from the lists of lands furnished to the Company by the Minister of the Interior under and pursuant to the said Agreement of the 23rd day of December, 1924, and will release and discharge the reservation in patents referred to in clause three of the said agreement, in case such release and discharge has not been made prior to the coming into force of this agreement. Nothing in this agreement, or in any agreement varying the same as hereinafter provided, shall in any way prejudice or diminish the rights of the Hudson's Bay Company or affect any right to or interest in land acquired or held by the said Company pursuant to the Deed of Surrender from it to the Crown, the *Dominion Lands Act* or the said Agreement of the 23rd day of December, 1924.

SCHOOL LANDS FUND AND SCHOOL LANDS

6. Upon the coming into force of this agreement, Canada will transfer to the Province the money or securities constituting that portion of the school lands fund, created under sections twenty-two and twenty-three of *The Act to amend and consolidate the several Acts respecting Public Lands of the Dominion*, being

chapter thirty-one of forty-two Victoria, and subsequent statutes, which is derived from the disposition of any school lands within the Province or within those parts of the District of Keewatin and of the Northwest Territories now included within the boundaries of the said Province.

7. The School Lands Fund to be transferred to the Province as aforesaid and such of the school lands specified in section thirty-seven of the *Dominion Lands Act*, being chapter one hundred and thirteen of the Revised Statutes of Canada, 1927, as pass to the administration of the Province under the terms hereof, shall be set aside and shall continue to be administered by the Province in accordance, *mutatis mutandis*, with the provisions of sections thirty-seven to forty of the *Dominion Lands Act*, for the support of schools organized and carried on therein in accordance with the law of the Province.

WATER

8. The Province will pay to Canada, by yearly payments on the first day of January in each year after the coming into force of this agreement, the proportionate part, chargeable to the development of power on the Winnipeg River within the Province, of the sums which have been or shall hereafter be expended by Canada pursuant to the agreement between the Governments of Canada and of the Provinces of Ontario and Manitoba, made on the 15th day of November, 1922, and set forth in the schedule hereto, the Convention and Protocol relating to the Lake of the Woods entered into between His Majesty and the United States of America on the 24th day of February, 1925, and the *Lac Seul Conservation Act*, 1928, being chapter thirty-two of eighteen and nineteen George the Fifth, the annual payments hereunder being so calculated as to amortise the expenditures aforesaid in a period of fifty years from the date of the coming into force of this agreement and the interest payable to be at the rate of five per cent per annum.

9. Canada agrees that the provision contained in section four of the *Dominion Water Power Act*, being chapter two hundred and ten of the Revised Statutes of Canada, 1927, that every undertaking under the said Act is declared to be a work for the general advantage of Canada, shall stand repealed as from the date of the coming into force of this agreement in so far as the same applies to such undertakings within the Province; nothing in this paragraph shall be deemed to affect the legislative competence of the Parliament of Canada to make hereafter any declaration under the tenth head of section ninety-two of the *British North America Act, 1867*.

FISHERIES

10. Except as herein otherwise provided, all rights of fishery shall, after the coming into force of this agreement, belong to and be administered by the Province, and the Province shall have the right to dispose of all such rights of fishery by sale, licence or otherwise, subject to the exercise by the Parliament of Canada of its legislative jurisdiction over sea-coast and inland fisheries.

INDIAN RESERVES

11. All lands included in Indian reserves within the Province, including those selected and surveyed but not yet confirmed, as well as those confirmed, shall continue to be vested in the Crown and administered by the Government of Canada for the purposes of Canada, and the Province will from time to time, upon the request of the Superintendent General of Indian Affairs, set aside, out of the unoccupied Crown lands hereby transferred to its administration, such further areas as the said Superintendent General may, in agreement with the Minister of Mines and Natural Resources of the Province, select as necessary to enable Canada to fulfil its obligations under the treaties with the Indians of the Province, and such areas shall thereafter be administered by Canada in the same way in all respects as if they had never passed to the Province under the provisions hereof.

12. The provisions of paragraphs one to six inclusive and of paragraph eight of the agreement made between the Government of the Dominion of Canada and the Government of the Province of Ontario on the 24th day of March, 1924, which said agreement was confirmed by statute of Canada, fourteen and fifteen George the Fifth chapter forty-eight, shall (except so far as they relate to the *Bed of Navigable Waters Act*) apply to the lands included in such Indian reserves as may hereafter be set aside under the last preceding clause as if the said agreement had been made between the parties hereto, and the provisions of the said paragraphs shall likewise apply to the lands included in the reserves heretofore selected and surveyed, except that neither the said lands nor the proceeds of the disposition thereof shall in any circumstances become administrable by or be paid to the Province.

13. In order to secure to the Indians of the Province the continuance of the supply of game and fish for their support and subsistence, Canada agrees that the laws respecting game in force in the Province from time to time shall apply to the Indians within the boundaries thereof, provided, however, that the said Indians shall have the right, which the Province hereby assures to them, of hunting, trapping and fishing game and fish for food at all seasons of the year on all unoccupied Crown lands and on any other lands to which the said Indians may have a right of access.

SOLDIER SETTLEMENT LANDS

14. All interests in Crown lands in the Province upon the security of which any advance has been made under the provisions of the *Soldier Settlement Act*, being chapter 188 of the Revised Statutes of Canada, 1927, and amending Acts, shall continue to be vested in and administered by the Government of Canada for the purposes of Canada.

NATIONAL PARK

15. The lands specified as included in the Riding Mountain Forest Reserve, as such reserve is described in the schedule to the *Dominion Forest Reserves and Parks Act*, being chapter seventy-eight of the Revised Statutes of Canada, 1927, as amended by eighteen and nineteen George the Fifth chapter twenty, shall be established as a national park, and the said lands, together with the mines and minerals (precious and base) in such area and the royalties incident thereto shall continue to be vested in and shall be administered by the Government of Canada for the purposes of a national park, but in the event of the Parliament of Canada at any time declaring that the said lands or any part thereof are no longer required for such purposes, the lands, mines, minerals (precious and base) and the royalties incident thereto, specified in any such declaration, shall forthwith upon the making thereof belong to the Province, and the provisions of paragraph three of this agreement shall apply thereto as from the date of such declaration.

16. The Parliament of Canada shall have exclusive legislative jurisdiction within the whole area included within the outer boundaries of the said park, notwithstanding that portions of such area may not form part of the park proper; the laws now in force within the said area shall continue in force only until changed by the Parliament of Canada or under its authority, provided, however, that all laws of the Province now or hereafter in force, which are not repugnant to any law or regulation made applicable within the said area by or under the authority of the Parliament of Canada, shall extend to and be enforceable within the same, and that all general taxing acts passed by the Province shall apply within the same unless expressly excluded from application therein by or under the authority of the Parliament of Canada.

SEED GRAIN, ETC., LIENS

17. Every lien upon any interest in any unpatented land passing to the Province under this agreement, which is now held by Canada as security for an advance made by Canada for seed grain, fodder or other relief, shall continue to be vested in Canada, but the Province will, on behalf of Canada, collect the sums due in respect of such advances, except so far as the same are agreed to be uncollectible, and upon payment of any such advance, any document required to be executed to discharge the lien may be executed by such officer of the Province as may be authorized by any provincial law in that behalf; the Province will account for and pay to Canada all sums belonging to Canada collected hereunder, subject to such deduction to meet the expenses of collection as may be agreed upon between the Minister of the Interior and the Minister of Mines and Natural Resources or such other Minister of the Province as may be designated in that behalf under the laws thereof.

GENERAL RESERVATION TO CANADA

18. Except as herein otherwise expressly provided, nothing in this agreement shall be interpreted as applying so as to affect or transfer to the administration of the Province (a) any lands for which Crown grants have been made and registered under the *Real Property Act* of the Province and of which His Majesty the King in the right of His Dominion of Canada is, or is entitled to become the registered owner at the date upon which this agreement comes into force, or (b) any ungranted lands of the Crown upon which public money of Canada has been expended or which are, at the date upon which this agreement comes into force, in use or reserved by Canada for the purpose of the federal administration.

HISTORIC SITES, BIRD SANCTUARIES, ETC.

19. The Province will not dispose of any historic site which is notified to it by Canada as such and which Canada undertakes to maintain as an historic site. The Province will further continue and preserve as such the bird sanctuaries and

public shooting grounds which have been already established and will set aside such additional bird sanctuaries and public shooting grounds as may hereafter be established by agreement between the Minister of the Interior and the Minister of Mines and Natural Resources, or such other Minister of the Province as may be specified under the laws thereof.

FINANCIAL TERMS

20. In lieu of the provision made by section five of the statute two George the Fifth chapter thirty-two above referred to, Canada will, from and after the date of the coming into force of this agreement, pay to the Province by half-yearly payments in advance, on the first days of January and July in each year, an annual sum based upon the population of the Province as from time to time ascertained by the quinquennial census thereof, as follows:—

The sum payable until the population of the said Province reaches eight hundred thousand shall be five hundred and sixty-two thousand five hundred dollars;

Thereafter, until such population reaches one million two hundred thousand, the sum payable shall be seven hundred and fifty thousand dollars;

And thereafter the sum payable shall be one million one hundred and twenty-five thousand dollars.

21. If at the date of the coming into force of this agreement any payment has been made under the provisions of section five of the statute two George the Fifth chapter thirty-two above referred to in respect of any half-year commencing before but terminating, after the said date, a proportionate part of the payment so made shall be taken as having been made under the provisions hereof.

22. In order to provide an adequate financial readjustment in favour of the Province for the period intervening between its entrance into Confederation in 1870 and the first day of July, 1908, before which date it received either no subsidy

in lieu of public lands or a smaller subsidy than it should have received in order to put it on an equality with the other Provinces, Canada, forthwith after the coming into force of this agreement, will, in accordance with the report of the hereinbefore recited Commission, pay to the said Province the sum of four million, five hundred and eighty-four thousand two hundred and twelve dollars and forty-nine cents with interest thereon at the rate of five per cent per annum from the first day of July, 1929.

RECORDS

23. Canada will, after the coming into force of this agreement, deliver to the Province from time to time at the request of the Province the originals or complete copies of all records in any department of the Government of Canada relating exclusively to dealings with Crown lands, mines and minerals, and royalties derived therefrom within the Province, and will give to the Province access to all other records, documents or entries relating to any such dealings and permit to be copied by the Province any of the documents required by it for the effective administration of the Crown lands, mines, minerals and royalties.

AMENDMENT OF AGREEMENT

24. The foregoing provisions of this agreement may be varied by agreement confirmed by concurrent statutes of the Parliament of Canada and the Legislature of the Province.

WHEN AGREEMENT COMES INTO FORCE

25. This agreement is made subject to its being approved by the Parliament of Canada and by the Legislature of the Province of Manitoba, and shall take effect on the fifteenth day of July, 1930, if His Majesty has theretofore given His Assent to an Act of the Parliament of the United Kingdom of Great Britain and Northern Ireland confirming the same, and if He has not given such Assent before the said day, then on such date as may be agreed upon.

IN WITNESS WHEREOF the Honourable Ernest Lapointe, Minister of Justice, and the Honourable Charles Stewart, Minister of the Interior, have hereunto set their hands on behalf of the Dominion of Canada, and the Honourable John Bracken, Premier of Manitoba, and the Honourable Donald G. McKenzie, Minister of Mines and Natural Resources thereof, have hereunto set their hands on behalf of the Province of Manitoba.

Signed on behalf of the Government
of Canada by the Honourable
Ernest Lapointe, Minister of
Justice, and the Honourable
Charles Stewart, Minister of the
Interior, in the presence of

O. M. BIGGAR.

ERNEST LAPOINTE.

CHAS. STEWART.

Signed on behalf of the Province of
Manitoba by the Honourable
John Bracken, Premier of the
said Province, and the Honour-
able Donald G. McKenzie,
Minister of Mines and Natural
Resources thereof, in the pres-
ence of

W. J. MAJOR.

JOHN BRACKEN.

DONALD G. McKENZIE.

SCHEDULE

AGREEMENT BETWEEN CANADA, ONTARIO AND MANITOBA

OTTAWA, November 15, 1922.

MEMORANDUM: of agreement arrived at regarding the control of the upper waters
of the Winnipeg River.

PRESENT:

Representing the Dominion Government

Right Honourable Mackenzie King, Prime Minister; Honourable Charles
Stewart, Minister of the Interior; Mr. W. W. Cory, Deputy Minister
of the Interior.

In attendance

Mr. W. J. Stewart and Mr. J. B. Challies, Consulting Engineers to the
Department of External Affairs; Mr. S. S. Scovil, Engineer of Lake
of the Woods Control Board.

Representing the Province of Ontario

Honourable E. C. Drury, Premier.

In attendance

Mr. H. G. Acres and Mr. L. V. Rorke.

Representing the Province of Manitoba

Honourable John Bracken, Premier.

Honourable R. W. Craig, Attorney-General; also

Honourable T. H. Johnson, K.C., Counsel.

This agreement, as a working basis for the regulation of the English and Winnipeg rivers, is entered into on the understanding that all parties are agreeable to the repeal of the Lake of the Woods Regulation Act 1920, but Ontario does not bind itself to the terms of this agreement in the event of that Act not being repealed.

The Government representatives agreed that the general advantage legislation could be rescinded on the following basis (Mr. Bracken undertaking to urge the acceptance thereof by the Manitoba power interests):

1. Control of Lake of the Woods

The recommendation of the Lake of the Woods Control Board that the Norman Dam be expropriated was agreed to in principle.

It was further understood that the Board should immediately investigate and report to the three governments concerned, whether,

(1) There is some alternative method of securing control by construction of a new structure above the present dam or otherwise;

(2) Failing such an alternative being found, under what procedure and whether under Federal or Provincial auspices, should the dam be expropriated.

The cost of securing the results contemplated under either (1) or (2) above should be borne on the following basis,—

One-third of the total cost to be attributable to navigation and borne by the Federal Government;

The remaining two-thirds to be considered chargeable to power, to be borne in the first instance by the expropriating Government, but

(a) Ontario to be responsible for the share chargeable to the undeveloped power site at White Dog Falls;

(b) The Federal Government (as proprietors of the water powers on the Winnipeg river in Manitoba) to be responsible in the first instance for the amount chargeable to the remaining fall of the Winnipeg river in the Province of Manitoba; the Department of the Interior to recover cost of same from the present power developments on the river and from prospective power developments on such basis as that Department may consider advisable.

So far as the amount chargeable to power is concerned, the basis of settlement between the Dominion Government and the Province of Ontario should be that of the ratio of potential head in Ontario and Manitoba.

2. Regulation under Concurrent Legislation

It was agreed that the Lake of the Woods Control Board should be instructed to immediately canvass the necessities of the situation and make appropriate recommendations to the Governments of Canada and Ontario with a view to having approved and authorized whatever operating regulations are considered necessary to make practically effective the existing concurrent legislation.

3. Lac Seul

With regard to storage on Lac Seul, it is agreed that if the power interests in Manitoba or their administrative agency desire storage on Lac Seul, they shall immediately notify the Government of Ontario to this effect. In the event of such notification the Government of Ontario shall undertake not to permit the construction of any development which would later be destroyed, wholly or in part, by the creation of this storage, and shall agree to grant flooding rights, on Crown Lands affected, under the customary conditions, including recompense for timber destroyed, and the usual rental for water powers which may be wholly or partially destroyed incidental to the construction of the said works. Further, the power interests benefited shall be prepared, when required by the Government of Ontario, to pay the said Government an amount to be ascertained by the Control Board, sufficient to pay the difference between the cost of power feasible of development at Pelican Falls and the cost of a similar amount of power to be developed at some other possible site designated by the Government of Ontario and delivered at Sioux Lookout at a distribution voltage.

It is agreed that whatever storage scheme may be worked out covering Lac Seul shall be under the jurisdiction of the Lake of the Woods Control Board, the cost of the same to be borne by the power interests as and when benefited.

4. International Questions

With regard to the international issues it was unanimously agreed that there was not sufficient data to enable a commitment at the present stage with regard to

storage and regulation on Rainy and upper international lakes, and that in any case all the interests concerned, governmental, municipal, corporate and private, on both sides of the boundary, should be afforded the opportunity and the advantage of presenting their views, and of hearing the views of others presented, to the International Joint Commission.

It was further agreed that the basis for an international arrangement between the two countries arrived at by the technical advisers of the United States and Canada at Washington in December, should be adhered to, namely,—

- (a) An immediate settlement by treaty of the Lake of the Woods issues; and
- (b) Concurrent with the ratification of such a treaty, an appropriate reference to the International Joint Commission respecting Rainy and upper lakes matters.

It was further agreed that once a reference of the upper lakes matter has been agreed to, the Canadian Governments, Dominion and Provincial, should facilitate in every possible way, a thorough investigation and an early report by the International Joint Commission, but that pending such a report, the Dominion Government could not make any commitment as to policy.

With regard to financial obligations arising under settlement of the Lake of the Woods issues it was agreed that the same should be borne by the respective Governments on the same basis as that set out above for the acquirement of the Norman Dam.

(Sgd.) E. C. DRURY,
For the Government of Ontario.

(Sgd.) JOHN BRACKEN,
For the Government of Manitoba.

(Sgd.) W. L. MACKENZIE KING,
For the Government of Canada.

